

NEW MEXICO  
**FINANCEAUTHORITY**

1

# **Small Business Recovery Loan Fund**

*Program Summary*

Adam Johnson, Chief of Program Operations



- The Small Business Recovery Act was passed in the 2020 first special session of the NM Legislature to provide low-interest loans to businesses that experienced financial hardship early in the pandemic.
- The 2021 Legislature revised and extended the Small Business Recovery Loan Fund through the Small Business Recovery and Stimulus Act to increase access to the loan fund and offer enhanced loan terms to NM businesses. The program was funded from the state's Severance Tax Permanent Fund.

*“Receiving this loan meant that we could ensure the least amount of impact to those directly around us by not laying anyone off and maintaining a quality service instead of prioritizing unchanging expenses. Most importantly, it provided peace of mind for us, our employees, and our customers.”*

*-New Mexico small business owner*

- The Small Business Recovery Loan Fund was created with **flexible, generous terms to help New Mexico's small businesses survive** the COVID-19 pandemic.
- Between 2020 and 2022, the Small Business Recovery Loan Fund provided low-interest loans totaling **\$178 million to 2,652 businesses** across 21 sectors and 32 counties. The average loan size was approximately \$67,000.
- Without the Small Business Recovery Loan Fund, some New Mexico small businesses likely would not have survived. 90% of businesses reported in the NMFA client survey that the financial assistance was **“very important”** to keeping their business open.

SBRLF 2020*	Number of Loans	Loan Amount
Active	356	\$14,751,993
Paid off	60	\$3,471,030
Refinanced	464	\$22,027,214
Total	880	\$40,250,237
SBRLF 2021-2022**	Number of Loans	Loan Amount
Active	2119	\$157,997,217
Paid off	17	\$1,599,878
Total	2136	\$159,597,095
Grand Total	3016	\$199,847,332***

\* Small Business Recovery Act of 2020 (HB4 – 2020 Special Session) Application period August – December 2020

\*\* Small Business Recovery Act (SB3 – 2021 Regular Session) Application period May 2021 – December 2022

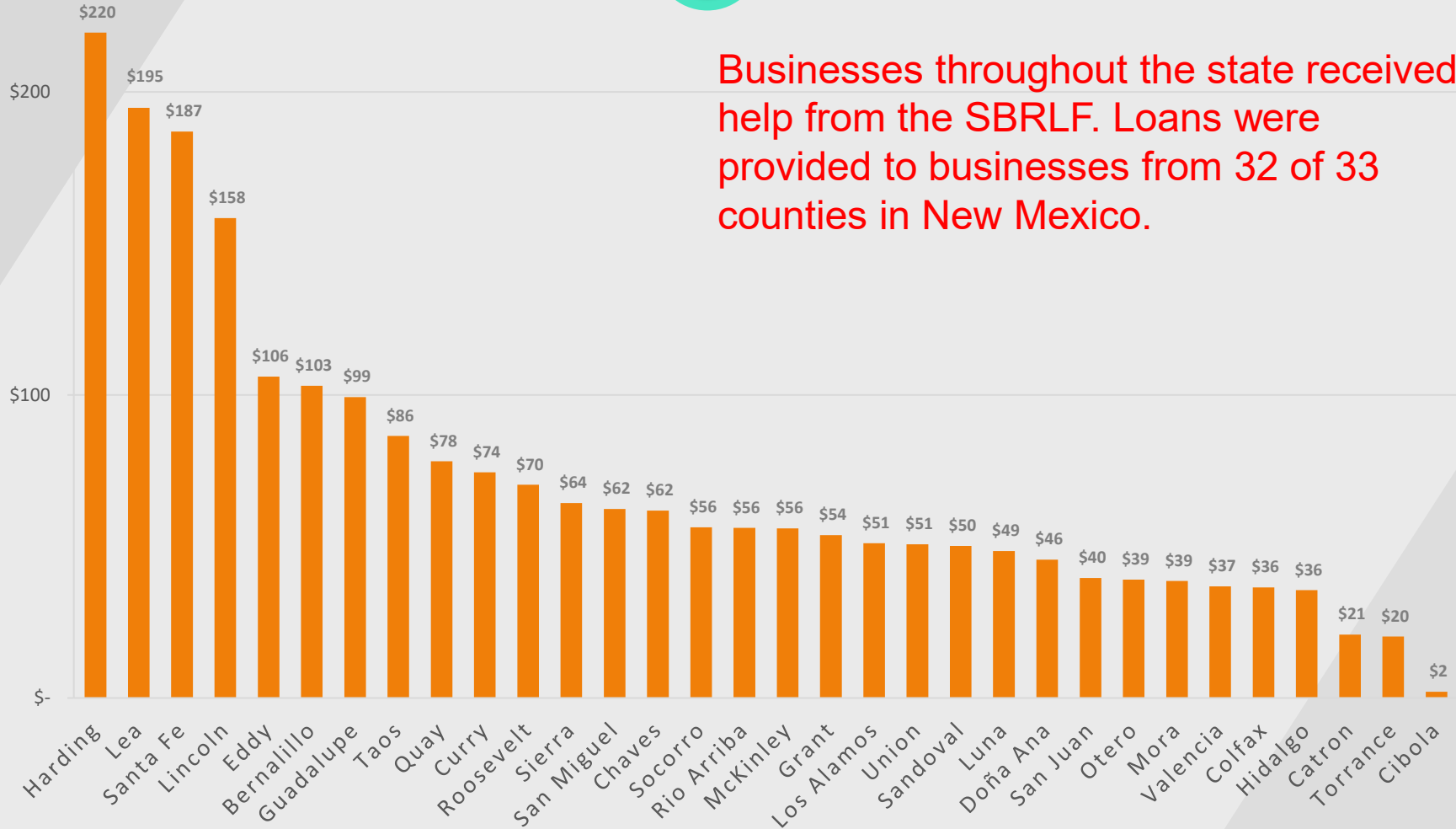
\*\*\* Total distribution amount was \$177,820,118, or total loan amount less refinanced loans



# Loans per Capita by County

5

Loan Amount Per Capita By County

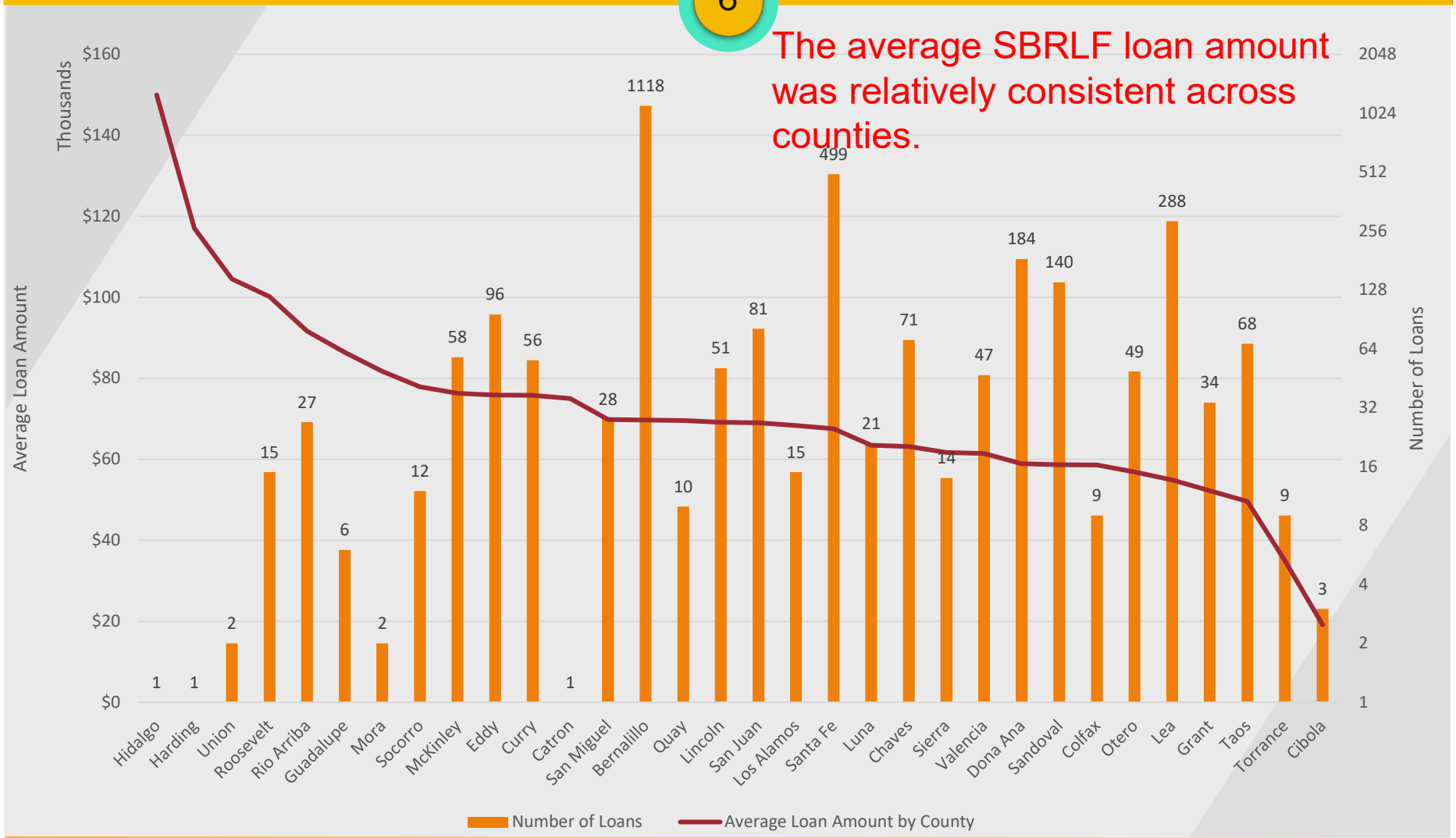


Businesses throughout the state received help from the SBRLF. Loans were provided to businesses from 32 of 33 counties in New Mexico.

# Average Loan by County

6

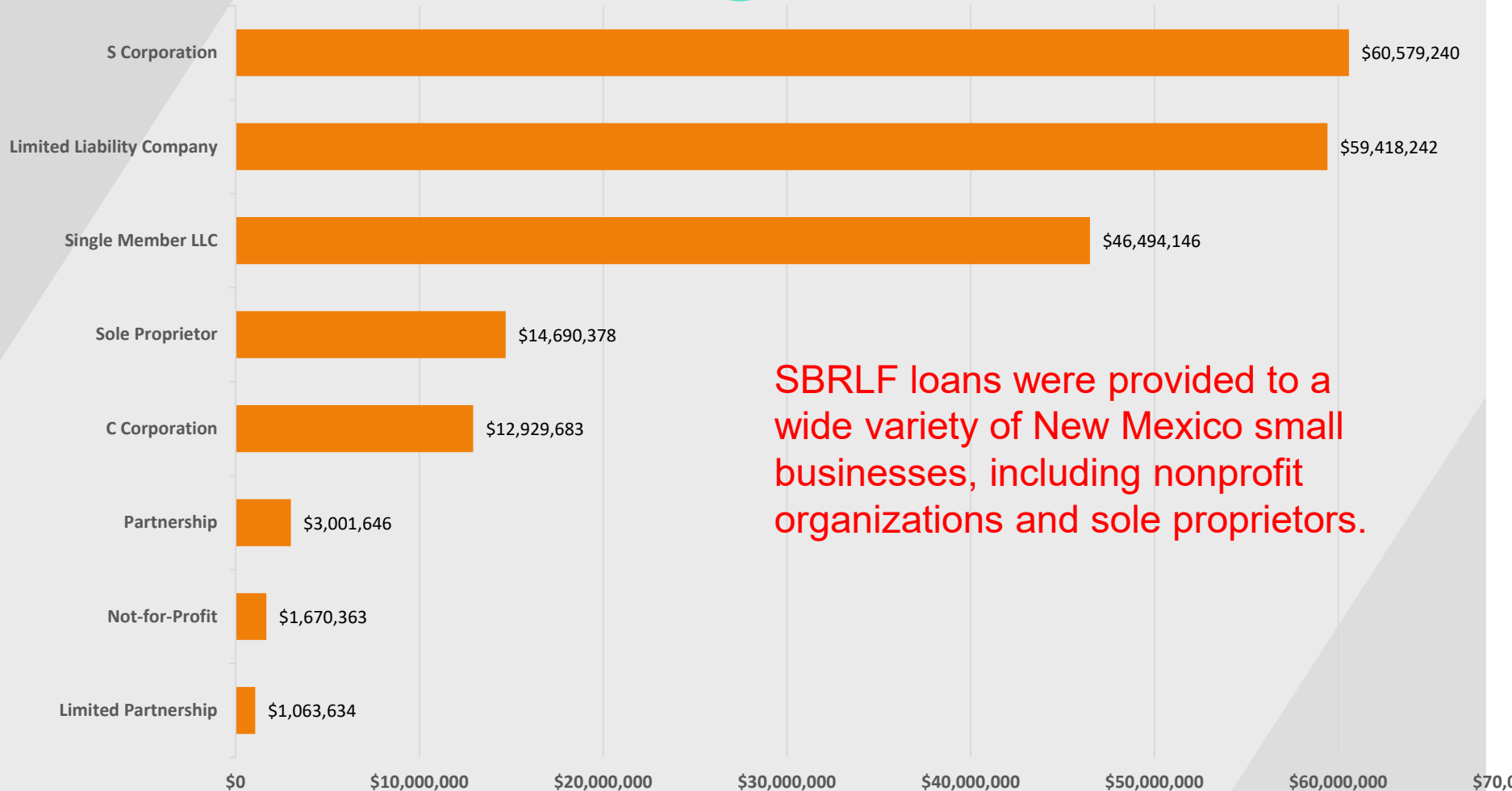
The average SBRLF loan amount was relatively consistent across counties.



Number of Loans Average Loan Amount by County



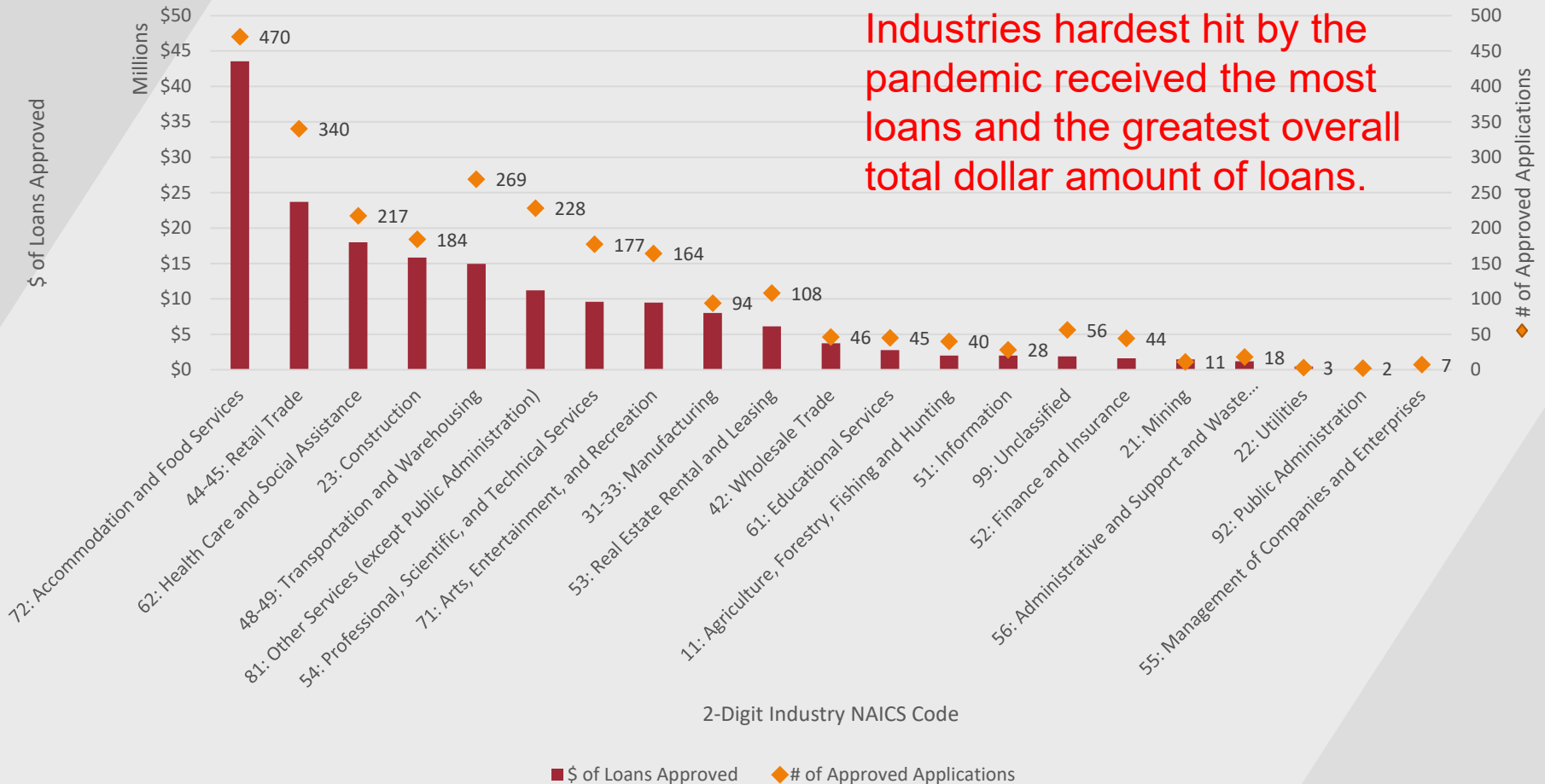
# Loans by Entity Type





# Industry Summary

Total \$ of SBRLF Loans and Approved Applications by Industry



In July of 2022, NMFA began continuing reporting efforts with all Small Business Recovery Loan recipients.

- The report was **intentionally brief** to encourage participation
- The report requested **qualitative and quantitative** information about what the business is currently experiencing
- The report asked for information about # of employees retained or hired as a result of the Small Business Recovery Loan

# Business Status Report Results

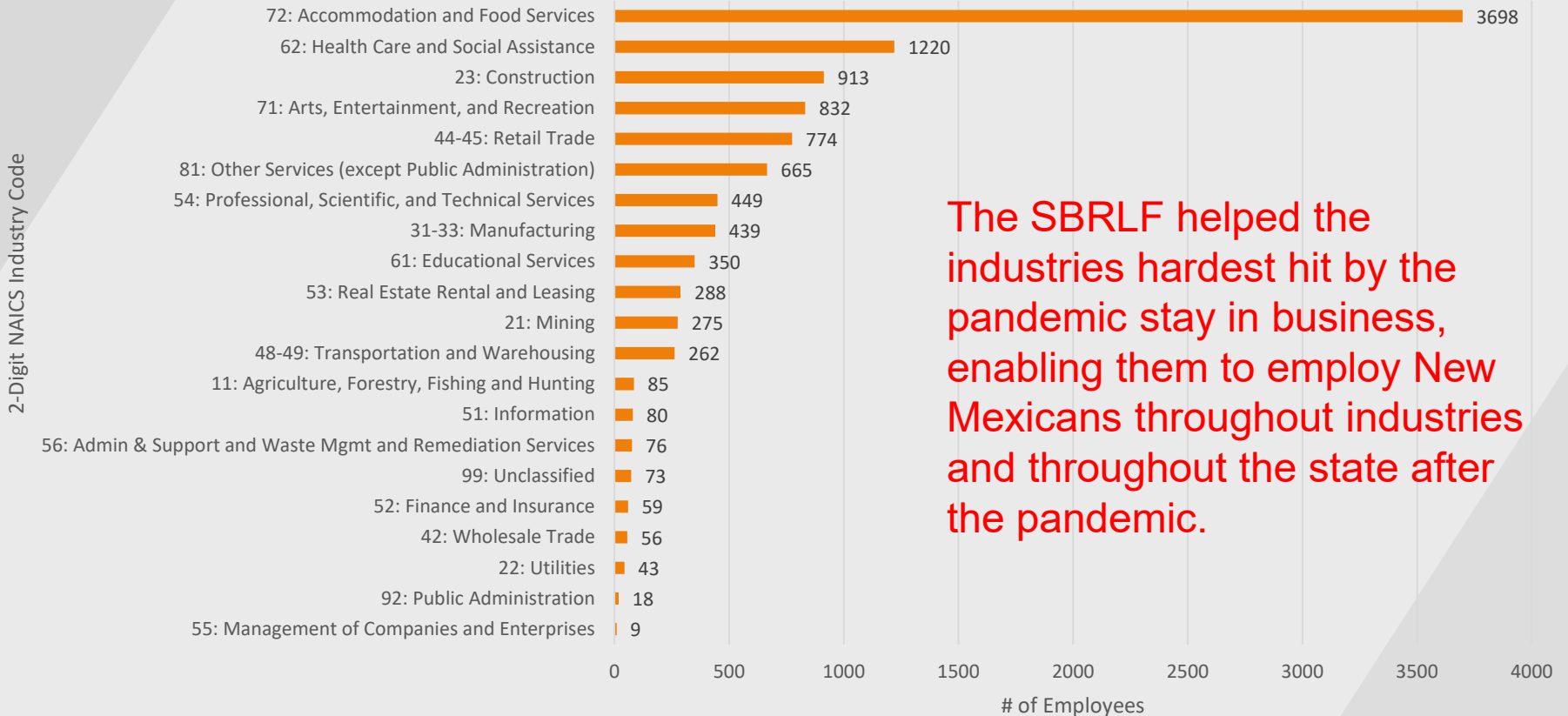
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- 1201 or 47.1% of the SBRLF loan recipients responded
- Respondents said 5,446 employees were hired or retained as a result of the SBRLF loan
- Respondents reported a total of 10,664 individuals employed as of June 2022
- 40 out of 1201 respondents said they were no longer in business

# Business Status Report Results

11

# of Employees as of June 2022 by Industry



The SBRLF helped the industries hardest hit by the pandemic stay in business, enabling them to employ New Mexicans throughout industries and throughout the state after the pandemic.

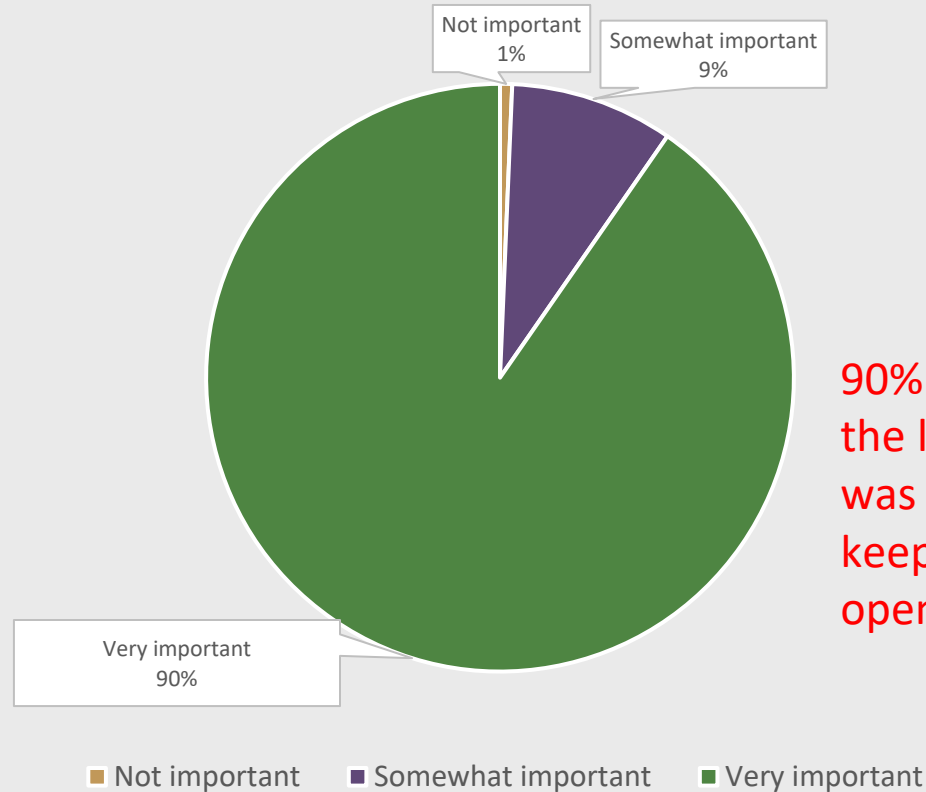
\*1201 or 47.1% of borrowers reported employing 10,664 employees June 2022

# Business Status Report Results

12

Clients were asked:

"How important was the financial support to keeping the business open?"



90% of respondents said the loan from the SBRLF was “very important” to keeping their business open.

\*47.1% of approved loan recipients responded

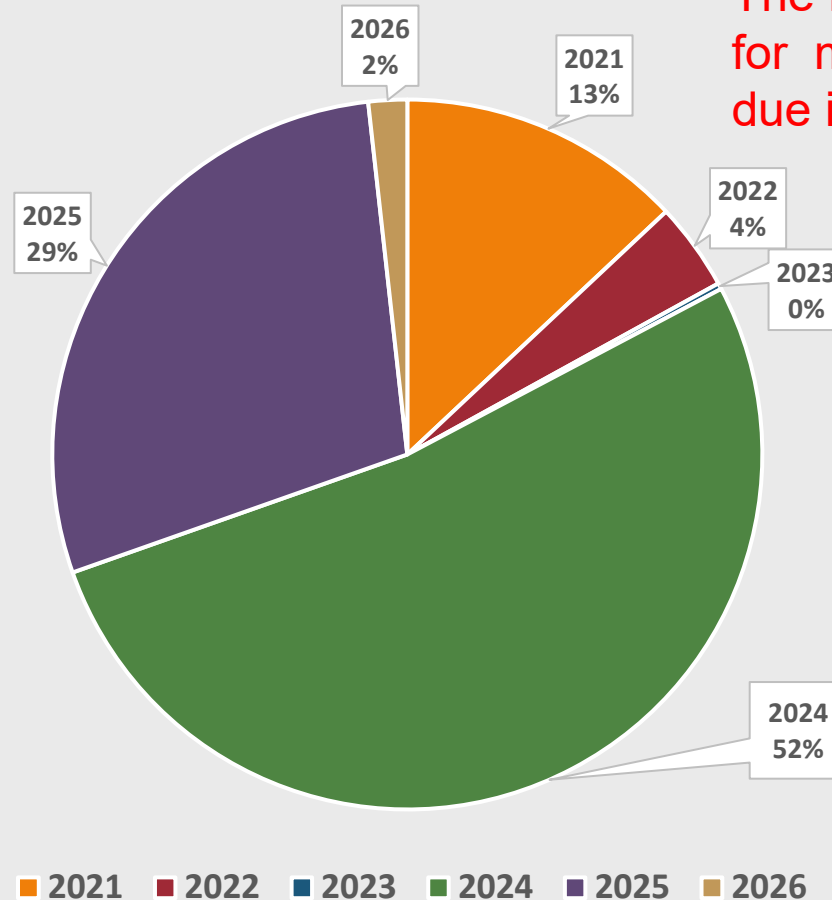
- 77 borrowers have paid off loans for approximately \$5.1MM
- NMFA has received \$6.7MM in principal payments through December 2022
- NMFA uses a third-party credit monitoring service to automatically receive reported bankruptcies of loan recipients. No bankruptcies have been reported to date
- Of 435 businesses required to make interest-only payments, 117 accounts are 90 days or greater past due
- As of December 2022, the NMFA has allocated \$19.3MM in allowance for doubtful accounts
  - Includes ~\$1.1MM of amounts outstanding from clients that have informed NMFA they are no longer in business
  - Includes ~\$1.9MM of amounts outstanding from clients who are over 180 days past due
  - Remainder is 10% of total principal outstanding



# First Interest Payment Due

14

First Interest Payments 2021-2026



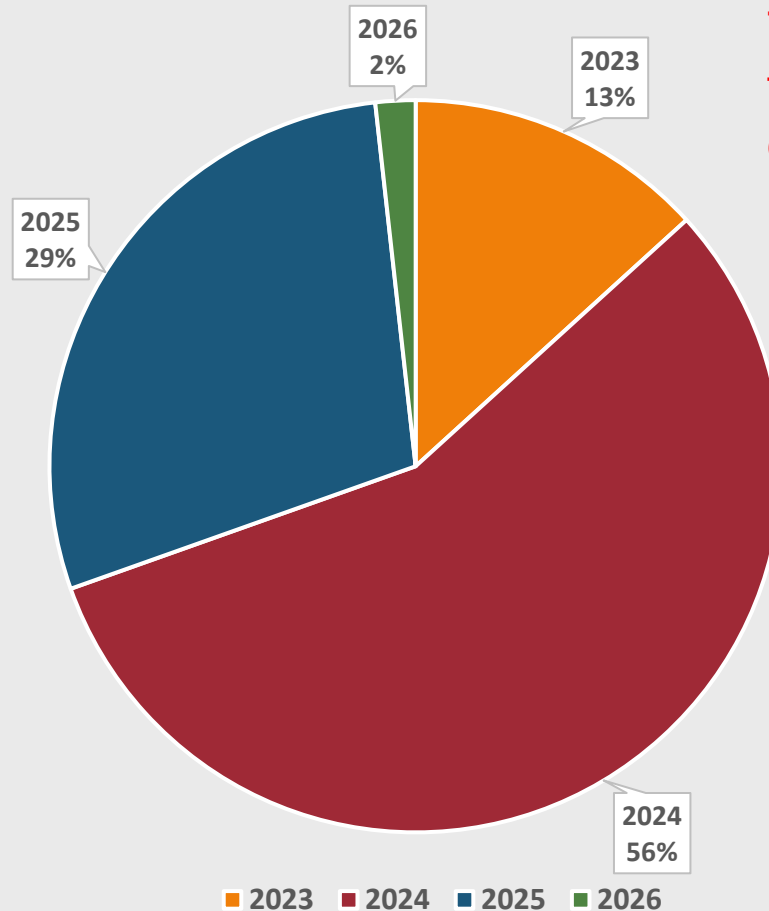
The first interest payment for most borrowers will be due in 2024 or 2025.



# First Principal Payment Due

15

First Principal Payments 2023-2026



The first principal payment for most borrowers will be due in 2024 or 2025.



## **New Mexico Finance Authority**

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